1897 Bo-27-28

Previous references.

Banks 2/96(1-26

Banks 2/96

File No.

60 of 97-98

1904

(Banking)

Later references.

B 43-04

B 50-06

B 6-09

B. 13-10/551-2 B. Rum 10

GENERAL AND REVENUE SECRETARIAT.

Serial Nos. 1452

PART B FOR July

SUBJECT.

Agricultural Bank at Satanur

Mandya

	FILE No. 60 of 1897-98. *Agricultural Bank at Satanur, Mandya Taluk.*	
1	From the Deputy Commissioner, Mysore District, No. A., dated 27th June 1904. Reports on the affairs of the Agricultural Bank at Satanur, Mandya Taluk.	
2	Deputy Commissioner, Mysore District, and Comptroller, Government Proceedings No. Fl. 454-5—B (General F. 60-97), dated 22nd July 1904. Directs the recovery of the whole advance with the interest due thereon unless the arrears up to date are paid up in full immediately by the Said Bank.	

G.R.S. 11] 190 4

GENERAL AND REVENUE SECRETARIAT.

Financial (Banking)

NOTES.

File No. 60 of 97-8

FILE HEADING.

Agricultural Bank at Satanur Mandya Taluk

From

Dy Commr: Mysore Dt

No. A Dated 27 6 04 Received 28-6-04

Diary No. R. 2287	Enclos.	Spare Copies.	Serial No.

BRIEF ABSTRACT OF LETTER.

Reports upon the affairs of the Agricultural Bank at Satanur, Mandya Taluk.

NOTES AND ORDERS.

Submitted

The points for consideration in the above report are: —

The Dy Commr does not recommend the continuance of the Govt loan to the Bank

NOTES—First sheet.

MGCPB—5,000—18-5-04

G.R.S. 12]

General and Revenue Secretariat.

File No. 60 of 1897-98

Serial No.

unless the arrears of instalment with interest are paid up immediately, as, according to the Inspecting Officer's report, several irregularities had been noticed and the Bank authorities had failed to realise their responsibility in the matter of paying the annual instalments and interest due to Govt. The further, the Inspecting Officer is of opinion That even if some time is allowed to the Bank, there is not much hope that the affairs of the Bank would perceptibly improve in the near future

Orders are solicited

Flag C

Park 14.7.01 As the affairs of the Bank had been grossly mismanaged Govt ordered in Feb 1901 that under para 74 of the articles of Association, the loan should be at once recovered. On the recommendation of the Dy Comr and the Inspector of Agricultural Banks, that the management of the Bank was in better hands than

MGCPB—10,000—19-5-04

G.R.S. 12]

General and Revenue Secretariat.

File No. 60 of 1897-8

Serial No.

Flag R

Flag J

Before, the above order was held in abeyance for one year in September 1901. No reports as to the working of the Bank after this Order was passed were received for 2 years and the Dy Comr. was asked to arrange for an early inspection, in September 1903. This report is now received and shows that the Bank has not improved and is not likely to improve -

Subd to the Secy

Jmch
14/7/04

Submitted to the Dewan Sahib for orders.

14.7.1904

Why was not a draft sent up. The case was easy enough for a secretariat draft. Above the Dy Comr's action should be reviewed & the whole matter brought to a close. Unless we do this immediately, the borrowers will have full opportunity to contract new debts & allow debts to run on when over due -

15.VII.04

Branch II

Draft - accd

16.7.1904

Draft Subd to Secy

18/7/04.

Note—Contn. sheet.

G.R.S. 12]

General and Revenue Secretariat.

File No. 60 of 1897-8.

Serial No.

A draft order is submitted accordingly

Draft order made 18/7/04

Draft passed & 18/7/1904

Book B 24/76

2 To The Dy Commr, Mysore Dt. Govt. & Comptroller, Mysore Govt.
Prop No. 71. 454-5 B 60-97 & 22-7-04.

Directs the Dy Commr to recover, under the provisions of Regn II of 03, the whole advance made to the Agl. Bank at Saligrama unless the arrears are paid up in full immediately, and to report the action taken by him at an early date

Note.—Contn. sheet.

MGCPB—10 000—13-5-04

(1)

1903-04 Rl 2287

From The Dy Commissioner
Bijapur Dist

To The Secretary to the
Govt of Bijapore
Genl & Rev: Depts

Dated 27th

Despatched June 1902

Received

General No. A
No.

Enclosure No 2 reports &
8 statements

Reports upon the
affairs of the Agricul
-tural Bank at
Satanoor in the Huan-
-dya Taluk.

Mysore 8th Commr's Office
Dated June 1904

B. H. Venkatavardiengar Esq:
Secretary to the Govt
of Mysore
Genl: and Rev: Depts

Sir,

Adverting to the marginally noted reference, regarding the Agricultural Bank, at Satanoor (in the Mandya Taluk), I have the honor to submit herewith the report on the inspection of the said Bank, made by Mr. C. Venkata Row Assistant Commissioner on the 25th instant, together with statistical returns of the past official year and to state as follows:—

2 The affairs of the bank

Secretary's docket no: Fd 803 R-7-60-97-98. dated the 18th September 1903
Do Do no: Fd 1635-42 dated the 18th December 1903

having been grossly mismanaged previous to the year 1901, Government directed the immediate recovery of the loan in February 1901 (Vide Government Proceedings No. 6208-10 / R.Z. 60-97 dated 18th February 1901). As this Deputy Commissioner subsequently recommended to Government that the above order directing the immediate recovery of the loan might be held in abeyance for a year for special reasons, the Government were pleased to approve of the Deputy Commissioners recommendation... (Vide Government Proceedings No: R. 1346-7 / R.Z. 60-97 dated 18th September 1901)

3 The bank was twice inspected during the current official year, once in the month of September

by Mr. Badami Krishna Rao Assist and Commissioner and for the second time during the current month by Mr. C. Venkata Rao:—
Several irregularities have been noticed by both these Officers The following are the chief of them:—

(1) Gross delay on the part of the bank authorities in paying the amounts and also the interest on the Government loans

(2) Default on the part of the Office bearers and members in repaying the loan given to them from the Bank.

(3) Indifference on the part of the Directors in discharging their duties punctually

(4) Omission to mention some of the prescribed registers

5 The point for Consideration

is the Continuance of the Government
loan In the first report submit-
-ted by Mr. Badami Krishna Rau
he was of opinion that the loan
might be Continued, but as this
opinion had been expressed in
ignorance of the previous history of the Bank, the
inspection report was sent back
to him with Copies of the two
Government orders quoted above
and he was requested to give
his opinion with special reference
to the said orders. He was how-
ever unable to express his opinion
in the matter without making
necessary local enquiries and
therefore retransmitted his re-
port to this office on the eve of
his transfer to the Sagar Sub
Division. The report was therefore
sent to the Assistant Comm

at French Rocks and he was requested to express his opinion after inspecting the Bank for the 2d time. Mr. C. Venkata Row has again inspected the Bank and has expressed his opinion in clear terms. He says that the Bank authorities have failed to realize their responsibility in the matter of paying the annual instalments and interest due to Government and that even if some time is allowed to them, there is not much hope, that the affairs of the Bank would be perceptibly improve in the near future

5. Under these circumstances I am not prepared to recommend the continuance of the loan to the Bank, unless the arrears of instalment with interest are paid up immediately. I have

requested the Assistant Commissioner to inform the Bank accordingly and will await the orders of Government on the subject. Mr. Badami Krishna Rows report is also herewith submitted.

I have the honor to be
Sir
Your most obt Servt.

W. Meritt Wilks

Deputy Commissioner
Mysore Dist

Report on the inspection of the
Agricultural Bank at Salmur
in the Mandya Taluk.

1. Date of present Inspection.

24th & 25th June 1964

2. Whether there is a duly registered suitable bank office where members and depositors could call and have their business attended to; and if there had been any change in the office since last inspection, why necessitated and whether duly registered.

Yes. It is located in the Agents house in a room therein. No change since last inspection

4. Whether any dates and hours are fixed for transaction of business, whether business is regularly transacted at those dates and hours; if no appointment is thus made, what arrangements exist for the due transaction of business when members and depositors call; and on how many days in a month is business done.

No dates and hours are fixed for transaction of business. The Bank being located in the Agents house it is said that he will be always available to members having business with the Bank From the Examination of the Cash Book

September 1903 – 4 days
October " – Nil
November " – one day
December " – do –
January 1904 – 2 days
February " – 2 days
March & April " – Nil
May 1904 – one day.

Book it is found that since last inspection business was done as per particulars shewed in the margin

Whether the bank's registers, accounts, title-deeds, documents, cash balance and other property are kept in the bank premises in the custody of the President and Agent; and if any of them are not so kept, where and how they are kept, under what authority and upon whose responsibility.

Bank's registers, accounts, documents, cash balance and other property are kept in the Bank's premises in the custody of the Agent himself – The President Marigowda lives in a village called Honnaganahalli a mile and a half from the Bank house. He is said to come twice or

thrice in a week to the
Bank & Supervise the
transactions of the Bank
No title deeds &c are kept
deposited in the Bank

8. Whether the villages to which the members belong are sufficiently near (within a radius of five miles) to the Bank house, and duly registered; at what distance do the majority of members, the directors and office-bearers reside; and if business was extended to any new village whether there was proper sanction for it.

23 villages are said
to belong to this Bank
as mentioned in the
Memorandum and
Articles of Association
maintained in the Bank
received from the Registrar
of Joint Stock Companies
with Regd No. 30 in 1897-98
All the above villages
with the exception of
Eechigere (which is at
a distance of 6 miles)
are within a radius
of 5 miles from the
Bank. All the above
villages

villages are duly registere
There are at present 126
members according to
the Register of Members
kept in the Bank.
The Agent one Director
and 16 members
reside at Sathnoor only.
4 of the Directors reside
within 1/2, 1, 1 1/2 & 3 miles
from the Bank house
The President resides
as stated above at
Hormavanahalli 1 1/2 miles
from the Bank house.
There has been neither
increase nor decrease
since last inspection
Two of the members to
whom loans have been
granted were of a joint
Hindu

9. As regards members, whether and to what extent there has been any increase or decrease in their number since formation of the bank or last inspection; what was the decrease, if any, due to; were the new members duly qualified, duly elected, and registered; in case of members belonging to a joint Hindu family or otherwise possessing a qualified or limited status, whether there is proper representation of interests involved; whether in the practical working, the bank has gained or lost in strength, energy and usefulness since formation or last inspection.

8. As regards credit, solvency and resources of members, whether a complete and accurate list of the lands of members is maintained: if not, how is the omission explained; to what extent have fluctuations in the number of members affected the united credit of the bank. Any notable instances of new acquisition or improvement since formation of the bank or last inspection; any notable instances of sale or other kind of transfer, relinquishment or deterioration; how these have affected the solvency and resources of the members concerned and of the Association as a whole; what guarantee, if any, has the bank obtained or the rules of the General Assembly afford against alienations and relinquishments prejudicial to the Bank's interests; compare the *net* amount of the value of property as per latest authenticated list with the amount of liabilities of the bank at date of inspection.

Hindu family. In
these cases the attestation
of persons having [illegible]
interest in the property
have been made to
the mortgage deeds
The Bank authorities
are told to ascertain
if there are any such
such cases and make
needful rectification
in the Bank Registers.
Since last inspection
the Bank has neither
gained nor lost in
strength.

A list of the lands of its
members is maintained
in the prescribed printed
Register. The particulars
of the property of remaining

members

members have yet to be
entered therein. The Bank
Agent is told to complete
the same without further
delay. The valuation of
the property of the members
~~therein~~ entered is not
verified by the Taluk
Amildar who is now
directed to obtain a list
of property mortgaged
to the Bank and duly
verify the value set by
~~the~~ Bank authorities.
There is no fluctuation
in the number of Members
since last inspection.
No new acquisition or
improvement. No notable
instances of sale &c. hence
the solvency of the Asso
ciation is not affected
No rules

No rules have been framed by the General Assembly to guard themselves against any alienations and relinquishments prejudicial to the Bank's interest. Whenever local enquiries are being made by the Office bearers in respect of such transactions. In cases the lands mortgaged to the Bank are advertised for sale for the recovery of the arrears of Land Revenue thereon, the Agent pays that he has reported to the Salem authorities to give previous notice of such sales to the Bank to protect the lands from being sold.

The

The Bank authorities are
now informed to get the
interest of the Bank on the
lands mortgaged to the
Bank, registered in the
Salvage Special Duties
Register to avoid their
being sold for arrears of
Land Revenue. The
aggregate value of the
property of members —
according to the enclosed
property list furnished
by the agent is Rupees 114.320/-
as per margin

Value of the properties of members who were at the formation of the Bank — 65,660-0-0

Do — who Subsequently joined — 48660-0-0

114,320-0-0

* As regards Bank's funds, note whether the limit fixed at formation had been increased or decreased under due authority; whether the bank had in its dealings unauthorizedly exceeded the limit and if so how is this explained or proposed to be rectified. Classify the Bank's funds at date of inspection with reference to the sources from which they were derived viz:—entrance fee, contributions, loans from Government, if any, loans from others, deposits from members (1) in Cash and (2) in grain, deposits from outsiders, Debentures etc. Note whether the bank's credit is well established and sustained, or steadily growing: if otherwise to what extent such result is due to any action or omission of the bank's authorities and what other causes are likely to have contributed to it; whether the lessons of co-operation, mutual help and thrift are understood and practised. if not, inculcate them to as large a body of members and outsiders as can be gathered.

The limit fixed at formation has not been exceeded.

The Bank has drawn only Rupees 15,000/- from

the

III

Entrance fee Rs. Nil
Rs. 8-0

Contributions " " "

Loans from Government } 15000 " " "

Loans from others } " " "

Deposits from Members } 1044-0-0

16,070-8-0

The Treasury as per order of Government in their Proceedings No R 1346-7
" R.F 60-97
dated 18th September 1901

The classification of Bank's finances at date of inspection is as per margin. —

The Bank's credit is forming and appears to be well established.

Lessons of Co-operation, & mutual help & thrift appear to be understood and practised

9. As regards Government loan, note whether the terms fixed for repayment are duly acted up to or there has been gross delay, dilatoriness or neglect; the amount outstanding against the Bank at date of inspection; whether the loan may be continued subject to the terms allowed for repayment or whether in your opinion it is advisable to withdraw the loan under the provisions of Sections 74 and 75 of the Articles of Association; and state reasons for such opinion briefly and concisely.

9. The terms of repayment were fixed in February 1903 (vide by Commissioner's Camarese order No 782/97 dated 28th February

1903 to Maudyam Canildar.) According to the above the Bank has to repay in 12 Annual Instalments at Rupees 1250/ annually from 1901-02 (payable by the end of June every year.)

The 1st Instalment of Rupees 1250-0/- has not yet been paid by the Bank.

The amount outstanding against the Bank on this date is as per Margin. X

Government Rs a P
Loan. 15000-0
Interest
due to Govt 2603-9-3
17603-9-

No Loans have been received from others, but only deposits have been received to the extent of Rupees 1044.

10. As regards loans and deposits from others, note the terms allowed, generally in regard to rate of, interest and time for repayment; whether the sanction of the General Assembly had been obtained to the rates of interest and other essential terms; whether the obligations incurred were, in any way, in excess of the Bank's requirements or of what local conditions of credit, prudential considerations and the progress and well-being of the Bank justified; whether the Bank authorities are alive to the importance of placing themselves in a position to discharge the obligations incurred, punctually, completely and satisfactorily.

Interest at 4 per cent has been allowed on such deposits

From the Bank records it is observed that no sanction of General Assembly has been obtained to the rate of interest and the terms

11. As regards the Bank's transactions, compare the Cash Book with Ledgers, Receipts, Chalans, Cheques, Treasury Pass Book, Contingent and Establishment Registers, Documents etc. Is it posted up from actual transactions as they occur and in the order of their occurrence, and are entries made so clear as to be easily intelligible and traceable through the other accounts? If discrepancies and omissions due to mere oversight or ignorance are found, have them rectified in a business-like manner as far as practicable and note here such as are considered to be grave. In the case of corrections, see if they are initialled by the President and Agent, and if any of the corrections are not satisfactory, note briefly your objections.

The entries in the Cash book were as far as possible Compared with the Ledgers, Receipts, Chalans, Cheques Treasury Pass Book &c. They are duly posted up, intelligible and traceable through other accounts

There are no

No glaring omissions
or discrepancies
There were one or two
corrections not —
initialled and they
were got initialled
by the Agent during
this inspection
The Disbursements
are duly authorized
and are supported
by Vouchers
The Charges incurred
under Establishment —
and Contingencies
appear to be real
and necessary
Rule regarding
gratuitous Service
is respected
Date of last entry.
in the Cash Book
is 2nd May 1904
and

See if disbursements were duly authorised and are supported by proper vouchers.

Were the charges incurred under Establishment and Contingencies real or fictitious either wholly or in part, and if real, necessary? Is the rule about members rendering gratuitous service duly respected.

Note date of the last entry in the Cash Book, and the cash balance on that date according to the Cash Book and as forthcoming in the Bank's chest. Are instances frequent of the transgression of the limit fixed in the Articles of Association for cash balance in the hands of the Board of Directors, and how are they explained? Are large sums kept in hand for any length of time without being utilized? Is the facility afforded for keeping current account with the Treasury utilised as far as possible for minimising cash balances, if not, how is the omission explained? Has there been any complaint or ground for the belief or suspicion that needlessly large balances are retained by the Agent or President.

and the cash balance on that date and a forthcoming in the Bank's Chest was Rupees 6-15-4

The limit of 30% Rupees of cash balance in the hands of the Board of Directors is not exceeded during the present Agents time

The facility for keeping current Account with the Treasury is not properly utilized

There appears to be no Complaints or cause for suspension

Note the general results of the Bank's cash transactions up to date of inspection in the appended form and see if the Cash Balance Sheet last submitted by the Bank is correct in all particulars.

RECEIPTS.	Rs. a. p.	EXPENDITURE.	Rs. a. p.
From Treasury	16027-9-0	To Treasury Current acct.	1027-8-0
„ Depositors...	1144-0-0	„ principal repaid ...	
Entrance fee ...	26-8-0	„ Depositors ...	100-0-0
Interest and [illegible]	2263-9-9	„ Members, loan	17697-0-0
		„ Govt. on acct. of interest ...	558-5-8
Loans repaid	1400-0-0	„ Depositors „ ...	123-3-5
Other items	40-0-0	„ Printing charges ...	29-2-6
		„ Establishment.	680-8-0
		„ Contingencies	72-0-6
		Court-Cash	491-5-8
		„ Other charges.	115-8-8
Total	20901-9-9	Total Cash in hand	6-15-4
		Total	20901-9-9.

Compared and found correct.

(a) No limits prescribed by General Assembly

b) No. (C) No transgressions to be rectified

(d) No. (e) Yes

It is said, that the Board of Directors watch, the application and use made of

12. (1) As regards loans to members, note if, in addition to the restrictions and limitations prescribed in Section 42 of the Articles of Association, the General Assembly has prescribed any limit with reference to the value of the landed property held by applicants for loan or offered as security by them; (2) whether loans have been granted to any in contravention of these rules, members of joint Hindu family being taken as representing one account; (3) how such transgressions are explained or proposed to be rectified; had any loans been granted to other than members in need or had any deserving applicants been denied to favor particular individuals, and had such instances produced feelings of distrust and discontent and impaired the cordiality and unanimity expected to exist among the body of members; are objects for which loans are applied for, explained with sufficient clearness in the darkhasts; is the application and use made of loans watched by the Board of Directors or other authority; have there been any instances of non-application or misuse, especially of sums obtained having been used by any member for purposes of trading or private banking or money lending.

of Loans, But
there is nothing
on the record to
Ascertain this
(f) No Instance of
Loans having been
used for trading
&c.
(g) Noted

Amount obtained.	Rs.	a.	p.	Rs. a. p.
1 To discharge encumbrances.				7000 — 0 — 0
2 To „ other debts.				8724 — 0 — 0
3 For agricultural purposes.				
(a) (c) (b) Kandayam				2074 — 0 — 0
(b) Leedse				500 — 0 — 0
(c) Purchasing Bullocks				500 — 0 — 0
				899 — 0 — 0
Total				16697 — 0 — 0

Amount spent.	Rs.	a.	p.	
1 For discharging encumbrances ...				3850 — 0 — 0
2 To discharge other debts ...				8500 — 0 — 0
3 For agricultural purposes				
(a) (b) (c) (d) Kandayam				2074 — 0 — 0
Leeds				500 — 0 — 0
For purchasing bullocks				500 — 0 — 0
				800 — 0 — 0
For other purposes (a) (b) (c) (d)				
Total				16224 — 0 — 0

Note the sums obtained and used for the several purposes indicated in this supplemental form.

13. As regards securities obtained, note if the mortgage deeds in favor of the Bank are in proper form executed by the proper persons and duly registered; if prior mortgages in respect of property hypothecated to the Bank had been fully discharged and the mortgage deeds (duly discharged) produced in Bank together with title-deeds; in case of exceptions, when the mortgages are likely to be discharged and their amount; the proportion the loans of first class bear to the amount of property mortgaged; notable cases of undue preference, if any, with explanation; whether good and sufficient personal security was obtained in the case of the second and third class loans, whether in the case of simple debts repaid, documents discharged, receipts, &c., obtained had been produced, and in case of notable exceptions when they are expected to be produced.

Note particulars in the appended form of loans outstanding against members at date of inspection exclusive of repayments.

1st class.	2nd class.	3rd class.	4th class.	Total.	Value of property under mortgage to Bank.
14511/-	275/-	100/-	1411/-	16297.	

Value of property under mortgage to Bank as examined by the Bank is Rs 87158/-

(a) Executed in the prescribed form by proper persons and duly registered

(b) Yes. Discharged Mortgage Deeds have been produced in all the cases — excepting in one case where the member died. — The Agent says that no more Deeds are to be produced to the Bank

The proportion of Loans of 1st class to ~~the~~ amount of property mortgaged is as one to six

(c) No such case

(d) Yes obtained

(e) Yes except in few cases

Particulars noted

14. As regards punctuality, completeness or otherwise in the payment of dues by members, Note whether the rule requiring strict punctuality is borne in mind and enforced in all practicable cases, or whether there is any unhealthy tendency to evade it; how many are defaulters (1) among office-bearers and (2) among other members; the amount of instalments overdue remaining unrecovered at date of inspection, the amount of 2nd, 3rd and 4th class loans likewise overdue remaining unrecovered; causes of unduly large arrears and large number of defaulters; whether proper notice had been taken of defaults and adequate steps taken for recovery of arrears; whether renewals were granted with prudence and discrimination; whether the interest and penalty due to the Bank had been fully recovered and whether the interest due to Government and to other creditors duly paid: arrears, if any, how explained and when expected to be paid.

No punctuality is observed or enforced in payment of dues by members. —

6 members have borrowed money from the Bank, of which 2 have fully discharged their loans. The remaining 59 members are — defaulters. 6 among office bearers (Agent President and 5 Directors) 53 among members. —

Except in 5 cases the instalments have not been paid up by the members.

Renewals of bonds of 4th class loans have not been

been effected.
Interest and
penalty have not
been fully recovered
Interest due to Govt
has also not been
paid in full. —

The Amount of
Surplus recovered,
as per Bank Accounts
on date of Inspection
Comes to about
220 Rupees and
this Amount is invested
in the Current Transactions
of the Bank.
About Rupees 2800/
have yet to be recovered

(a) Yes. (b) There was
one Meeting since
last Inspection. —
No Extraordinary meeting
(c) Yes. (d) No Special
Resolutions. (e) No

15. As regards surplus, Note what this amounts to up to date of inspection, taking into account the arrears remaining unrecovered of interest and other items of income; how much of this has been realized; what amount has been carried to the Reserve Fund by resolution of the General Assembly; how the Reserve Fund is invested; how the remaining surplus is used or secured; whether any and what special charges tended to reduce the surplus; and if the Bank has other assets what they are and their value.

16. As regards meetings of General Assembly, note whether the rules for convening these, the conduct of business therein and the recording and registering of resolutions are understood and duly given effect to; if not, explain the same to the office bearers and others present; note whether meetings had been held regularly every half-year; whether any and what number of extraordinary meetings had been held since last inspection; whether notices had been duly given to members; whether members were generally taking interest in the Bank affairs or whether there was party feeling; whether special resolutions had been duly confirmed and registered; whether any resolutions were inconsistent with the Articles of Association or other provisions of law.

17. As regards Board of Directors, note whether nd how often they meet for transaction of business; hether their resolutions are duly recorded in a book; they do not meet, what arrangements exist for the ischarge of their duties and functions and what record xists of their proceedings; whether any and which of hem have been taking special interest in and working ith zeal for the progress of the institution.

Resolutions by the Board of Directors not recorded in a book. Doubtful if they perform any duty

18. As regards supervision, whether any and what rrangements the General Assembly had made for ontrol and audit, are they effective and satisfactory.

Two Auditors have been appointed who check the Accounts

19. As regards registers and accounts, see append l list, note therein which of them is kept and how.

I.	Register of members	Properly kept	
II.	,, of applications for loan	Yes.	
III.	Cash book	Yes	
IV.	Ledger	Yes	
V.	Minute book	Yes not maintained	
VI.	Register of balance sheets	Kept	
VII.	Property register	do	
VIII	Register of monthly cash abstracts	do	
IX.	Register of bonds	not kept	
X	Receipts by Bank	Kept	
XI.	Depositors' ledger	do	
XII.	Treasury pass book	do	
XIII.	Chalan book	do	
XIV.	Cheque book	do	
XV.	Receipts by members to Bank	do	
XVI.	Register of Directors	not kept	
XVII.	Register of Directors' Proceedings	Kept	
XVIII.	Register of appropriation of loans	do	
XIX.	,, of contingent expenses	do	
XX.	,, of disbursement of pay to establishment	do	
XI.	,, of From letters	do	
XII.	,, of To letters	do	
XIII.	Visitors' book	not kept	

20. General remarks regarding the state of the

Government had ordered that the money advanced by

the Bank should be recovered

The Bank authorities here

failed to realise the responsi-

bility resting on them.

They have also failed

to pay up the principal

and interest - all collected

on behalf of the Treasury.

Even though some time

allowed to them I am

not - sanguine that

they would show any

perceptible improvement

in the conditions of the

Bank, in the near future

25/6/04

Report on the inspection of the Agricultural Bank at Sabnur in the Munoz Taluk. Munoz

1. Date of present inspection.

30th & 31st August and 1st September 1903.

2. Whether there is a duly registered suitable Bank office where members and depositors could call and have their business attended to; and if there had been any change in the office since last inspection, why necessitated and whether duly registered.

Yes - It is located in a small room in the agent's house.

Since last inspection the Bank office has been removed to the present building, Kha. Neshumari No 284, as per general assembly Proceedings dated 16th July 1903

The papers have been submitted for registration

3. Whether any dates and hours are fixed for transaction of business, whether business is regularly transacted at those dates and hours; if no appointment is thus made, what arrangements exist for the due transaction of business when members and depositors call; and on how many days in a month is business done.

No -

The agent generally remains during the afternoons and evenings in the Bank house as he resides in a portion of the same building

No special days are specified.

4. Whether the Bank's registers, accounts, title-deeds, documents, cash balance and other property are kept in the Bank premises in the custody of the President and Agent; and if any of them are not so kept, where and how they are kept, under what authority and upon whose responsibility.

Yes - They are kept in the Bank premises under the custody of the agent

within a radius of five miles.

Some are at Head Quarters and the rest reside at a distance of a mile or two

no

5. Whether the villages to which the members belong are sufficiently near (within a radius of five miles) to the Bank house, and duly registered; at what distance do the majority of members, the directors and office-bearers reside; and if business was extended to any new village, whether there was proper sanction for it.

There has been neither increase nor decrease since last inspection

No new members joined the association since last inspection

Yes. When one of the members of a joint Hindu family has joined the Bank the other members of the family who have a joint interest in the family property, have either allowed as witnesses the loan deed or have revoked their interest in favour of the person who have joined the Bank in the presence of the Auditor by executing a Mutchalika -

6. As regards members, whether and to what extent there has been any increase or decrease in their number since formation of the Bank or last inspection; what was the decrease, if any, due to; were the new members duly qualified, duly elected, and registered; in case of members belonging to a joint Hindu family or otherwise possessing a qualified or limited status, whether there is proper representation of interests involved; whether in the practical working, the Bank has gained or lost in strength, energy and usefulness since formation or last inspection.

7. As regards credit, solvency and resources of members, whether a complete and accurate list of the lands of members is maintained; if not, how is the omission explained; to what extent have fluctuations in the number of members affected the united credit of the Bank. Any notable instances of new acquisition or improvement since formation of the Bank or last inspection; any notable instances of sale or other kind of transfer, relinquishment or deterioration; how these have affected the solvency and resources of the members concerned and of the Association as a whole; what guarantee, if any, has the Bank obtained or the rules of the General Assembly afford against alienations and relinquishments prejudicial to the Bank's interests; compare the *net* amount of the value of property as per latest authenticated list with the amount of liabilities of the Bank at date of inspection.

yes - A completed accurate list of the lands of members is maintained & the properties are said to be in the possession & enjoyment of the members as at standing

The fluctuation in the number of members has not affected the credit of the Bank.

The fluctuations have increased the united credit of the Bank since 812 acres of land have been recently hypothecated to the Bank -

no -

no -

No rules have been framed on the subject and no guarantee obtained but such transactions are watched by the office bearers for taking precautionary measures. Net value of the property hypothecated to the Bank is Rs 1,14,320/-

8. As regards Bank's funds, note whether the limit fixed at formation had been increased or decreased under due authority; whether the Bank had in its dealings unauthorizedly exceeded the limit and if so, how is this explained or proposed to be rectified. Classify the Bank's funds at date of inspection with reference to the sources from which they were derived, *viz.*—entrance fee, contributions, loans from Government, if any, loans from others, deposits from members (1) in cash and (2) in grain, deposits from outsiders, debentures etc. Note whether the Bank's credit is well established and sustained, or steadily growing; if otherwise, to what extent such result is due to any action or omission of the Bank's authorities and what other causes are likely to have contributed to it; whether the lessons of co-operation, mutual help and thrift are understood and practised, if not, inculcate them to as large a body of members and outsiders as can be gathered.

(8). I Class Rs 1000 - a - a.
(a) II Class Rs 1000 - a - a.
III Class Rs 100 - a - a
IV Class Rs 60 - a - a
(b) no -

1) Entrance fee. Rs 26 - 8 - a.
2 Loans from Govt Rs 15000 - a - a
3 Deposits from members 1044 - a - a
4 Revenue & interest
minus expenditure 721 - 2 - 3.
5 Fines. Penalties &c 11 - 7 - a.
Rs 16803 - 1 - 3.

(c) yes.

(f). These are understood much better than the members of the Nira Bank. Its importance was clearly explained to the persons present at the time of inspection & their doubts on certain points cleared -

9. As regards Government loan, note whether the terms fixed for repayment are duly acted up to or there has been gross delay, dilatoriness or neglect; the amount outstanding against the Bank at date of inspection; whether the loan may be continued subject to the terms allowed for repayment or whether in your opinion it is advisable to withdraw the loan under the provisions of Sections 74 and 75 of the Articles of Association; and state reasons for such opinion briefly and concisely.

The Government loan is repayable in 12 annual instalments of Rs 1250 payable by the end of June every year - Half yearly interest to be paid - The 1st Instalment had to be paid on the 30th June 03 - (b) Rs 17470 with interest up to date of inspection

c. may be combined
d - not necessary

(10) - (a) no time for repayment has been prescribed - the deposit is continue so long the Bank flourishes - 4 per cent per annum interest is allowed -

(b) Rate of interest has been sanctioned by the general assembly

(c) Yes

10. As regards loans and deposits from others, note the terms allowed, generally in regard to rate of interest and time for repayment; whether the sanction of the General Assembly had been obtained to the rates of interest and other essential terms; whether the obligations incurred were, in any way, in excess of the Bank's requirements or of what local conditions of credit, prudential considerations and the progress and well-being of the Bank justified; whether the Bank authorities are alive to the importance of placing themselves in a position to discharge the obligations incurred, punctually, completely and satisfactorily.

(a) Yes.

(b) none -

(c) None working of note

(d) this is done under the Signature of the Agent.

(e) Yes - Except in the case of Contingent charges -

(f) Yes - real & necessary

(g) Yes - 23rd August 1903

(h) the cash balance on the evening of the 23rd August/03 as shown in the Cash book is Rs 16-13-4

(i) no instance noticed

(j) none during the present agent's time

(k) Yes.

(l) no

11. As regards the Bank's transactions, compare the Cash Book with Ledgers, Receipts, Chalans, Cheques, Treasury Pass Book, Contingent and Establishment Registers, Documents etc. Is it posted up from actual transactions as they occur and in the order of their occurrence, and are entries made so clear as to be easily intelligible and traceable through the other accounts? If discrepancies and omissions due to mere oversight or ignorance are found, have them rectified in a business-like manner as far as practicable and note here such as are considered to be grave. In the case of corrections, see if they are initialled by the President and Agent, and if any of the corrections are not satisfactory, note briefly your objections.

See if disbursements were duly authorised and are supported by proper vouchers.

Were the charges incurred under Establishment and Contingencies real or fictitious either wholly or in part, and if real, necessary? Is the rule about members rendering gratuitous service duly respected.

Note date of the last entry in the Cash Book, and the cash balance on that date according to the Cash Book and as forthcoming in the Bank's chest. Are instances frequent of the transgression of the limit fixed in the Articles of Association for cash balance in the hands of the Board of Directors, and how are they explained? Are large sums kept in hand for any length of time without being utilized? Is the facility afforded for keeping current account with the Treasury utilised as far as possible for minimising cash balances, if not, how is the omission explained? Has there been any complaint or ground for the belief or suspicion that needlessly large balances are retained by the Agent or President.

Note the general results of the Bank's cash transactions up to date of inspection in the appended form and see if the Cash Balance Sheet last submitted by the Bank is correct in all particulars.

RECEIPTS.

	Rs.	a.	p.
From Treasury ...	16027	8	4
„ Depositors...	1144	4	4
Entrance fee ...	26	8	4
Interest and penalty ...	2076	15	3
Loans repaid ...	1316	4	4
Other items ...	51	7	4
Total	20642	6	3

EXPENDITURE.

	Rs.	a.	p.
To Treasury Current acct.— principal repaid ...	10278		
Depositors ...	100	4	4
„ Members, loan.	17697	4	
„ Govt. on acct. of interest ...	558	5	8
Depositors,...	107	14	4
„ Printing charges ...	32	11	4
„ Establishment.	574	12	4
„ Contingencies ...	50	5	4
Other charges.	483	4	8
Total	20631	9	3
Cash in hand—	10	13	4
Total Rs—	20642	6	3

12. As regards loans to members, note if, in addition to the restrictions and limitations prescribed in Section 42 of the Articles of Association, the General Assembly has prescribed any limit with reference to the value of the landed property held by applicants for loan or offered as security by them; whether loans have been granted to any in contravention of these rules, members of joint Hindu family being taken as representing one account; how such transgressions are explained or proposed to be rectified; had any loans been granted to other than members in need or had any deserving applicants been denied to favor particular individuals, and had such instances produced feelings of distrust and discontent and impaired the cordiality and unanimity expected to exist among the body of members; are objects for which loans are applied for, explained with sufficient clearness in the darkhasts; is the application and use made of loans watched by the Board of Directors or other authority; have there been any instances of non-application or misuse, especially of sums obtained having been used by any member for purposes of trading or private banking or money lending.

Note the sums obtained and used for the several purposes indicated in the appended form.

(a) The general assembly has framed rules on the subject

(b) Yes

(c) no rules have been prescribed by the general assembly. It seems the board of directors watch them but there is no record in the minute book

(d) none -

Amount obtained.

	Rs.	a.	p.	
1 To discharge encumbrances.				Rs as per 4000 - 0 - 0
2 To „ other debts.				8724 - 0 - 0
3 For agricultural purposes.				2074 - 0 - 0
(a) Kandayam				500 - 0 - 0
(b) Seedlo				500 - 0 - 0
(c) for purchasing				899 - 0 - 0.
(d) bullocks -				
				16697 - 0 - 0

Amount spent.

	Rs.	a.	p.	
1 For discharging encumbrances				3850 - 0 - 0
2 To discharge other debts				8500 - 0 - 0
3 For agricultural purposes				2074 - 0 - 0
(a) Kandayam				500 - 0 - 0
(b) Seedlo				100 - 0 - 0
(c) for purchasing				200 - 0 - 0.
(d) bullocksto -				
4 For other purposes				
(a)				
(b)				
(c)				
(d)				
				16224 - 0 - 0.

13. As regards securities obtained, note if the mortgage deeds in favor of the Bank are in proper form executed by the proper persons and duly registered; if prior mortgages in respect of property hypothecated to the Bank had been fully discharged and the mortgage deeds (duly discharged) produced in Bank together with title-deeds; in case of exceptions, when the mortgages are likely to be discharged and their amount; the proportion the loans of first class bear to the amount of property mortgaged; notable cases of undue preference, if any, with explanation; whether good and sufficient personal security was obtained in the case of the second and third class loans, whether in the case of simple debts repaid, documents discharged, receipts, &c., obtained had been produced, and in case of notable exceptions when they are expected to be produced.

Note particulars in the appended form of loans outstanding against members at date of inspection exclusive of repayments.

1st class.	2nd class.	3rd class.	4th class.	Total.	Value of property under mortgage to Bank.

(a) Executed in the prescribed form by proper persons and duly registered

(b) 550 - Prior mortgage deeds and money-bonds have been produced in several cases and filed in the Bank -

(c) only one prior mortgage deed has not been produced even when called for

(d) The amount of loans of -

punctuality, completeness or otherwise of dues by members. Note whether strict punctuality is borne in mind in all practicable cases, or whether there is any tendency to evade it; how many cases of long office-bearers and (2) among those the amount of instalments overdue remained unpaid at date of inspection, the amount of such loans likewise overdue remaining in arrears, instances of unduly large arrears and the reasons therefor; whether proper notice had been given of such defaults and adequate steps taken for their recovery; whether renewals were granted without adequate discrimination; whether the interest due to the Bank had been fully recovered and whether the interest due to Government and to other creditors duly paid; arrears, if any, how explained and when expected to be realized.

15. As regards surplus, Note what this amounts to up to date of inspection, taking into account the arrears remaining unrecovered of interest and other items of income; how much of this has been realized; what amount has been carried to the Reserve Fund by resolution of the General Assembly; how the Reserve Fund is invested; how the remaining surplus is used or secured; whether any and what special charges tended to reduce the surplus; and if the Bank has other assets what they are and their value.

first class is Rs 145-95-4-4 at the date of inspection and the value of the property mortgaged to the Bank is Rs 85-870 as estimated by the Bank Authorities

(e) Instalments are not forthcoming

(f) 3.50

(g) 6% except in a few cases.

(h)

	Rs.
I class loans	1.45-95-4-4.
II Class.	275-4-4
III Class.	100-4-4.
IV Class.	1411-4-4.
	Rs. 16381-4-4.

(a) There is a tendency to avoid payment. Punctual payments should be encouraged - defaults have been made by some of the members & office bearers

(b) office bearers are defaulters viz: President, auditors & four directors
members. 46

(c) & (d). vide appendix -

(e) On account of some litigation between the ex-agent & the other members of the Bank, no attention appears to have been given to the business.

(f) Several civil suits have been filed for the recovery of the principal & interest

(g) Renewals have been granted under classes II & IV

(h) A portion of the interest & penalty has since been recovered -

(i) & (j). The agent promises to pay up the arrears of interest & instalment by the end of Dec 03 & the President supports it -

(a) Rs 3667-9-4

(b) Interest Rs 2017-8-4.
Entrance fee - 26-8-4.
Penalty - 11-7-0.

2055-7-4

(c) nothing has been set apart for Reserve Fund -

(d) has been sent to the members -

(e) none -

(a) yes

(d) none since last inspection

(e) yes

(f) yes - much more than one Bhir Bank I have inspected

(g) none of late

(h) no special resolutions have been passed -

(i) no

16. As regards meetings of General Assembly, note whether the rules for convening these, the conduct of business therein and the recording and registering of resolutions are understood and duly given effect to; if not, explain the same to the office bearers and others present; note whether meetings had been held regularly every half-year; whether any and what number of extraordinary meetings had been held since last inspection: whether notices had been duly given to members; whether members were generally taking interest in the Bank affairs or whether there was party feeling; whether special resolutions had been duly confirmed and registered; whether any resolutions were inconsistent with the Articles of Association or other provisions of law.

17. As regards Board of Directors, note whether and how often they meet for transaction of business; whether their resolutions are duly recorded in a book; if they do not meet, what arrangements exist for the discharge of their duties and functions and what record exists of their proceedings; whether any and which of them have been taking special interest in and working with zeal for the progress of the institution.

(a) no resolutions have been passed by the general assembly regarding the meetings of the Board of Directors - they do not seem to have met for transacting any business - the agent, the President and the other members of the Bank have been told about the importance & usefulness of such constant meetings

(b) no book is maintained

(c) the agent & the President carryon the business as per resolutions of the general assembly

(d) Patte Gowda, Bhare Gowd Nanjappa, Savage Gowd Venkatappa Munivenkata and a few others

18. As regards supervision, whether any and what arrangements the General Assembly had made for control and audit, are they effective and satisfactory.

(a) Hanumanna & Krishnappa members who have been appointed as auditors

(b) Satisfactory

19. As regards registers and accounts, see appended list, note therein which of them is kept and how.

I. Register of members
II. " of applications for loan
III. Cash book
IV. Ledger
V. Minute book
VI. Register of balance sheets
VII. Property register
VIII Register of monthly cash abstracts
IX. Register of bonds
X Receipts by Bank
XI. Depositors' ledger
XII. Treasury pass book
XIII. Chalan book
XIV. Cheque book
XV. Receipts by members to Bank
XVI. Register of Directors
XVII. Register of Directors' Proceedings
XVIII. Register of appropriation of loans
XIX. " of contingent expenses
XX. " of disbursement of pay to establishment
XXI. " of From letters
XXII. " of To letters
XXIII. Visitors' book

20. General remarks regarding the state of the Bank.

(1) ξ80 (8) ξ80
(2) ξ80 (9) ξ80
(3) ξ80 (10) ξ80
(4) ξ80 (11) ξ80
(5) ξ80 (12) ξ80
(6) ξ80 (13) ξ80
(7) ξ80 (14) ξ80
(15) ξ80 -
(16) no - (17) no - (18) no
(19) no (20) no - (21) no
(22) ξ80 - (23) no.

Remarks

a list showing the amount advanced to each member and the property mortgaged to the Bank is herein enclosed - Some of the instalments are overdue - Prompt measures should be adopted for the recovery of the arrears - The present apathy appears to take some special interest in the affairs of the Bank. Several of the office bearers and members present expressed their willingness and readiness to Co-operate with the Agent and the Presidents - They are alive to the importance and usefulness of such an institution. If they are left united there is every hope of the success of the Bank -

The working of the Society by-laws therein should be tackled by the Taluk Authorities and a report made on the subject

The working of by the Bank Authorities

on the property mortgaged to the Bank
seems to be sufficient. Yes sir.

Murtle Dan

Asst Cashier

1		2	3-11-99	1180-0-0
2		1	5-10-99	1105-1-0
3			5-10-99	700-0-0
4		0	5-10-99	710-0-0
5		0	5-10-99	710-0-0
6		5	5-10-99	915-0-0
		10		
7		00	5-10-99	1155-0-0
		25	5-10-99	790-0-0
		50		
		40		
9		350	10-10-99	4790-0-0
10		200	25-11-900	140-0-0
11		150	5-10-99	1238-0-0
		50		
		42		
12		150	5-10-99	1000-0-0
		42		
13		120	10-10-99	910-0-0
		33		
14		200	5-10-99	1060-0-0
15		300	29-4-99	800-0-0
		500	20-4-99	2500-0-0
		60		
		500	5-11-99	3400-0-0
		50		
		400	21-4-99	1500-0-0
		50		

	150	11-11-99	
	25		1300
	500	14-5-99	
	125	15-2-900	
	25		
	150	9-10-99	550
	150	7-10-900	40
	1000	26-6-99	7840
	200	17-9-900	750
	250	3-11-99	1305
	175	5-10-901	2300
	1000	21-2-99	5000
	1000	21-2-99	4940
	500	3-5-99	1505
	50		
	78	15-11-99	
	300	22-9-99	1570
	150		
	1000	21-2-99	2675
	500		
	250	19-99	
	50		
	125	18-2-900	340
	1000	21-2-99	
	35		
	100	3-5-99	
	120	15-99	325
	30		
	200	5-11-99	
	45		

ಕಛೇರಿಯಲ್ಲಿ ಖರ್ಚಾದ ಹಣದ ವಿವರ

ಖರ್ಚಿನ ವಿವರ	ಮೊತ್ತ		
ಪೇಪರ್ ಮತ್ತು ಸ್ಟೇಷನರಿ ಸಾಮಾನು	1627	8	-
ಪೋಸ್ಟೇಜ್ ಮತ್ತು ಟೆಲಿಗ್ರಾಂ	1144	-	-
ಪ್ರಿಂಟಿಂಗ್	26	8	-
ಇತರೆ	2017	8	4
ಕಾರ್ಯಾಲಯ ನಿರ್ವಹಣೆ	1316	-	-
ಅಂಚೆ ಮತ್ತು ಸ್ಟೇಷನರಿ ಸಾಮಾನು ಖರೀದಿಸಿದ್ದಕ್ಕಾಗಿ	40	-	-
ಒಟ್ಟು	20571	8	4

ಅಧೀಕ್ಷಕರು ಪೋಸ್ಟ್ ಆಫೀಸ್

[illegible]	1027	8	
[illegible]	100		
[illegible]	1769		
[illegible]	456	6	8
[illegible]	107	14	5
[illegible]	28	2	6
[illegible]	53	4	0
[illegible]	478	8	0
[illegible]	21	11	0
[illegible]	28	10	0
[illegible]	3	2	6
[illegible]	450	1	8
[illegible]	114	12	[illegible]
[illegible]	20570	15	9
[illegible]		8	7
[illegible]	20571	8	4

[illegible]

(2)

G.R.S. 28]

File No. 60 9
Serial No. 18478.

Diary No. of letter replied to H.2287

Proceedings of the Government of His Highness the Maharaja of Mysore.

GENERAL AND REVENUE SECRETARIAT.
Financial (Banking)

the 190

Date of issue 22-7-04

Signed by Mr M N K Rao

READ.—

Letter No. A. dated the 27th June 1904, from the Deputy Commissioner of the Mysore District submitting a report on the inspection of the Agricultural Bank at Satanur in the ~~Order thereon No.~~ Mandya Taluk, made by Mr. C. Venkata Rao, Asst. Comr on the 24th & 25th June 1904

Order thereon No - Fl. 454-5 B(~~C~~) 60-97
dt 22d July 1904
The Deputy Commissioner

over

SUBJECT

brings to the notice of Govern-
ment the gross mismanage-
ment of the Bank and the
several irregularities noticed
by the Inspecting Officer, and
states that he is not prepared
to recommend the continu-
ance of the Govt. loan to the
Bank, unless the arrears of
the instalments with interest
are paid up immediately,
and that he has requested
The Asst. Comm^r to inform
the Bank accordingly.

The Bank authorities
have hitherto failed to realise the
responsibility resting on
them. They have also failed
to pay up the principal
and interest at the stated
intervals and have thus
allowed debts to run on
when overdue

2. Government approve

Govt observe that 6 among the
Office bearers and 53 among the members
are defaulters.